GOVERNMENT OF INDIA
PRIME MINISTER
LOK SABHA

UNSTARRED QUESTION NO:1458
ANSWERED ON:14.08.2013
GAP IN INCOME GROWTH
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Will the Minister of PRIME MINISTER be pleased to state:

(a) whether there has been a gap in percentage growth of income of the poor and the rich in the country over the years;

(b) if so, the percentage growth registered in the income of the poorest 10 per cent and the richest 10 per cent during the last three years;

(c) whether the economic policy of the country is responsible for such income disparity; and

(d) if so, the reaction of the Government in this regard?

Answer

MINISTER OF STATE FOR PARLIAMENTARY AFFAIRS & PLANNING (SHRI RAJEEV SHUKLA)

(a): The data on income are not available. Based on the percentage of people living below poverty line estimated by the Planning Commission, the National Sample Survey Office (NSSO) data on household consumption expenditure reveals that during the period 2004- 05 to 2011-12, average per capita monthly consumption expenditure (MPCE) of the poor and non-poor population increased annually by 8.7 per cent and 10.5 per cent respectively in the rural areas and 8.9 per cent and 10.8 per cent respectively in urban areas.

(b): On the basis of NSSO consumer expenditure survey, the percentage growth in average MPCE of the top 10% and bottom 10% of population during the period 2004-05 to 2011-12 was 12.9 per cent per annum and 11.2 per cent per annum respectively in rural areas and 13.7 per cent per annum and 10.9 per cent per annum respectively in urban areas.

(c) & (d): The disparities in the class distribution of consumption expenditure, measured by the Lorenz ratio from the National Sample Survey data on consumer expenditure of the 68th Round (July 2011 to June 2012) show that the inequality (Lorenz Ratio) is 0.28 in the rural areas and 0.37 in the urban areas in 2011-12. Since the value of Lorenz Ratio range between zero and unity and also since higher value of Lorenz Ratio is indicative of greater inequality, the above values of inequality demonstrate that the disparity in per capita consumption among the people in the country is not much.